

ACT 6

S.B. NO. 60

A Bill for an Act Relating to Foreign Time Share Plans.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 514E-5.5, Hawaii Revised Statutes, is amended to read as follows:

“~~[§514E-5.5]~~ **Foreign time share plans; exemption.** (a) A foreign time share plan may obtain an exemption from the requirements of this chapter as provided in this section.

(b) The developer of a foreign time share plan shall pay an exemption fee of \$100 and file the following minimum information pertaining to the foreign time share plan with the director:

- (1) The name and address of the foreign time share plan;
- (2) The name and address of the developer and seller of the foreign time share plan, if any;
- (3) The name and registration number of the time share plan located in Hawaii; provided that the registration shall be active at the time of filing under this subsection; and
- (4) The duration of the foreign time share plan.

(c) Time share interests that are part of a foreign time share plan exempt under this section shall not be resold in the United States.

(d) The developer of a foreign time share plan exempt under this section shall not subject time share interests or units in the foreign time share plan that are located in Hawaii to blanket liens.

(e) The contract to purchase an interest in a foreign time share plan exempt under this section shall contain the following disclosure in conspicuous type immediately above the space provided for the purchaser's signature:

"THE OFFERING AND OPERATION OF THIS TIME SHARE PLAN OUTSIDE THE JURISDICTIONAL LIMITS OF THE UNITED STATES OF AMERICA IS EXEMPT FROM REGULATION UNDER HAWAII LAW, AND ANY SUCH PURCHASE AND OPERATION OF THIS TIME SHARE PLAN IS NOT PROTECTED BY THE LAWS OF THE STATE OF HAWAII. NO RESALE OF INTERESTS IN THIS TIME SHARE PLAN MAY BE MADE BY ANY PERSON WITHIN THE JURISDICTIONAL LIMITS OF THE UNITED STATES OF AMERICA. THE MANAGEMENT AND OPERATION OF ANY ACCOMMODATIONS OR FACILITIES LOCATED IN HAWAII, HOWEVER, ARE SUBJECT TO HAWAII LAW, AND MAY GIVE RISE TO AN ENFORCEMENT ACTION REGARDLESS OF WHERE THE OFFER WAS MADE."

(f) All promotional literature and other printed or written material used in connection with the sale of interests in a foreign time share plan exempt under this section shall include the following caption:

"This time share plan is exempt from registration under Hawaii law and, therefore, [any] the purchase and operation of this time share plan is not protected by the laws of the State of Hawaii."

(g) For the purposes of this section, "foreign time share plan" means a time share use plan that:

- (1) Contains time share interests or units located in Hawaii that are part of a Hawaii time share plan; and
- (2) Is offered and sold solely outside the jurisdictional limits of the United States.

(h) Failure by the developer to abide by the requirements for the exemption shall result in the loss of the exemption and shall require registration under this chapter."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 4, 2007.)